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STATE FOR WHA/CEN AND WHA/FO KIRSTEN MADISON
NSC FOR DAN FISK

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TAGS: [PGOV](#) [HQ](#)

SUBJECT: TELECOM PROTESTS HIGHLIGHT DIVISION IN LIBERAL
PARTY

REF: TEGUCIGALPA 1356

Classified By: Acting Polcouns Frank Penirian. Reason: 1.4(b/d).

11. (C) SUMMARY. The recent scuffling in the Honduran National Congress, when union members of Hondutel, with the support of the minor left-wing party Unificacion Democratica, attempted to stop Congress from passing a telecommunications rate reduction bill, was a visible manifestation of an ongoing power struggle over control of the ruling Liberal Party. The bill passed but it set a showdown between President Zelaya, who promised to veto the bill, and President of Congress Micheletti, who promised to override the veto. This manufactured crisis between the two branches appears headed for a nation-wide protest on August 27 that Zelaya could use to his advantage to assume extraordinary powers. END SUMMARY.

12. (U) On August 9, two days after withdrawing a telecommunications reform bill, the Honduran Congress passed a bill capping the rate for all incoming international calls at 4.5 U.S. cents per minute. This set rate will last for six months and during that time a specially created commission will monitor the effect of the lower rate on the nation's economy to decide if the rate change should be permanent. Honduras currently has the highest long-distance rates in Central America at an average of \$0.20 per minute. This rate change will bring Honduras in line with its neighboring countries and is aimed at reducing the "gray traffic" in international calls (see reftel for more details).

Hondutel Invades Congress

13. (U) Word of Congress's proposed action brought thousands of Hondutel workers to the Congress where they were joined by the five members of the minor left-wing Unificacion Democratica (UD) party in protesting the proposed law. The Hondutel workers used their trucks and vans to block traffic around the National Congress and many workers attempted to enter the chamber. The members of the UD unfurled a large banner and worked their way to the front of the chamber to display it. A number of scuffles with much pushing and shoving broke out in the Congressional chamber but no one was injured.

14. (U) The National Police did very little to either stop the protest or protect the members of Congress. President of Congress Roberto Micheletti blasted the Minister of Security, Alvaro Romero, for his failure to keep peace in the Congressional building. Minister Romero responded that he had been instructed by President Zelaya not to use force or tear gas because of the proximity of the protesters to members of

Congress.

15. (U) Neither the Hondutel protesters nor the UD's attempt to interrupt the proceedings prevented the rate reduction bill from passing. President Zelaya publicly stated that he would veto the bill, arguing that Congress's action was illegal and the law would be harmful to the economy. Micheletti responded that he has the required 2/3 majority to override any Presidential veto. Both Zelaya and Micheletti appeared on various media outlets on August 9 and 10 discussing the bill and agreeing to meet on August 14, although Micheletti stressed that he would not be intimidated by Zelaya.

An Untransparent Election for Transparency Commission

16. (C) Micheletti took advantage of the protests, shouting, and general mayhem in the Congress to appoint the three members of the Transparency Commission. Many of the members of Congress present in the chamber were not even aware that Micheletti had proposed the three and then had asked for a quick "show of hands only" vote for their approval. The three, Arturo Echenique Santos, Elizabeth Chiuze Sierra, and Gilma Agurcia, are considered, at best, political hacks, and were not at the top of anyone's list for this important commission. A number of members of Congress were upset at the manner in which the commission was chosen but see no real recourse to rescind the approval.

The Rift Between Zelaya and Micheletti

17. (C) Congress's approval of the rate reduction bill highlights the current division within the ruling Liberal Party. On one side stands President Zelaya with a small band of left-wing ideologue advisors such as Foreign Minister Milton Jimenez and Liberal Party leader Patricia Rodas along with political allies such as Hondutel Director Chimirri. Micheletti, supported by almost all Liberal Party members of Congress and most of the party's rank and file